

Thu Mar 26 12:26:18 EDT 2015
Wachter.Eric@epamail.epa.gov
FW: Kern County (CA) - Injection Well Permitting Program
To: CMS.OEX@epamail.epa.gov; Gaines.Cynthia@epamail.epa.gov

From: Rupp, Mark
Sent: Thursday, March 26, 2015 12:25 PM
To: Blumenfeld, Jared; Meiburg, Stan; Marks, Teresa; Giles-AA, Cynthia; Kenney, James; Perry, Dale; Hanley, Mary; Vaught, Laura; Distefano, Nichole; Burke, Thomas; Hanson, Andrew
Cc: Herckis, Arian; Wachter, Eric
Subject: Fwd: Kern County (CA) - Injection Well Permitting Program

Begin forwarded message:

From: David Wetmore <dwetmore@carpiclay.com>
Date: March 26, 2015 at 12:20:02 PM EDT
To: "Rupp.mark@epa.gov" <Rupp.mark@epa.gov>
Subject: Kern County (CA) - Injection Well Permitting Program

Mark –

I am writing to share with you correspondence to the Administrator from the Kern County (CA) Board of Supervisors. The County is very concerned that delays in permitting water and steam injection projects could have substantial negative economic impacts on Kern County. Specifically, the County is requesting the Administrator’s help to ensure a swift review by the California Division of Oil, Gas and Geothermal Resources of its injection well permitting program. The County further requests that EPA and the State not order the further closure of any injection wells. As you will note, there are compelling arguments in support of the County’s request, including very important economic and employment considerations.

We would appreciate your assistance in facilitating the Administrator’s review and EPA support of this request. We look forward to EPA’s response.

Thank you.

David Wetmore (on behalf of the County of Kern)

David Wetmore | Carpi & Clay

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Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, California 93301
Telephone (661) 868-3585
TTY Relay 800-735-2929
March 24, 2015

Gina McCarthy, Administrator
U.S. Environmental Protection Agency
Office of the Administrator, 1101A
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

RE: California Division of Oil, Gas and Geothermal Resources injection well permitting program

Dear Administrator McCarthy:

The Kern County Board of Supervisors is extremely concerned that potential delays in permitting water and steam injection projects that are essential to oil and natural gas exploration and production could have substantial negative economic impacts on Kern County. We ask your agency's help in ensuring a swift review by the California Division of Oil, Gas and Geothermal Resources (DOGGR) of its injection well permitting program, and we respectfully request that neither the EPA nor DOGGR order the further closure of any injection wells.

Water and steam injection projects are critical to the operation of Kern County oilfields, where heavy crude is produced from geologic formations that contain mixed water and oil. After the mixture is extracted, the remaining processed water is re-injected into the formation. Closing 2,500 injection wells as some members of the Legislature have requested would be premature and would in turn require the shutdown of thousands more wells that could not produce oil and gas without the formation pressurization provided by steam injection and the injection of processed water back into the formation. The resulting cost to California oil and gas production and the added operational costs to shut in producing oil and gas wells and repressurize formations would be substantial.

As you know, these Class II Injection activities must comply with the Federal Safe Drinking Water Act under the jurisdiction of the EPA. Since 1982, DOGGR has been delegated the authority to act as the lead agency in permitting and regulating all injection wells used by the industry for either disposal or Enhanced Oil Recovery (EOR).

Recently, the EPA directed the State of California to resolve all discrepancies regarding the location and regulatory status of injection wells. In February 2015, DOGGR, along with the State Water Board, submitted a work plan to the EPA that committed DOGGR to complete all necessary information regarding aquifer exemptions for the wells located in California by February 15, 2017. The EPA, in response to the State's proposed work plan, has moved this completion date up to October 15, 2016.

The protection of groundwater is an important goal for all of California. The location and management of Class II Injection wells deserves the highest priority and attention to detail. However, the lack of resources provided to DOGGR and the unclear pathway for completing these important oversight activities are expected to severely impair the continued operation and permitting of injection wells, which would have significant negative economic impacts on Kern County.

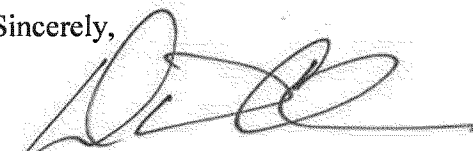
Gina McCarthy
Administrator, U.S. Environmental Protection agency
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Kern County oil activities comprise 75% to 80% of statewide production in California, where 96% of all vehicle miles traveled are powered by fossil fuel sources. Oil and natural gas operations generate substantial revenues directly to the State's Cap-and-Trade emissions reduction grant program, as well as sales and income tax revenues to the State of California General Fund.

Locally, the oil and gas industry is an important source of good-paying jobs and economic stability in Kern County, where unemployment exceeded 11% in January 2015, and where median household incomes in many disadvantaged communities are 60% of the statewide average. Oil and gas properties also contribute \$100 million annually in property tax revenues to the County of Kern's General Fund and Fire Fund. These funds help to finance essential local services such as law enforcement, fire protection, roads, parks, libraries as well as the County's local contribution to State-mandated health and human services programs.

Given the critical importance of oil and natural gas production to Kern County's and California's economic welfare and to public services, we therefore respectfully request your assistance in ensuring that DOGGR receives the assistance it needs to make the injection well oversight adjustments ordered by EPA as swiftly as possible, that these changes continue to enable the permitting of environmentally safe injections to proceed without unnecessary delay, and that remaining injection wells be permitted to continue operating as DOGGR conducts this review.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Couch', with a stylized, flowing script.

David Couch, Chairman
Kern County Board of Supervisors

DC:ADK\DOGGR injection wells concern EPA Admin.docx
CF 1000.300

cc: County Counsel
Planning and Community Development
The Honorable Dianne Feinstein
The Honorable Barbara Boxer
The Honorable Kevin McCarthy
The Honorable David Valadao